



H.B. 5108

#### STATEMENT OF RED LIGHT MANAGEMENT

I would like to thank Representative Heise and the Committee for the opportunity to testify.

My name is Stuart Ross and I represent Red Light Management, one of the larger music management companies in the country, as well as clients I have outside of this organization, most notably, the singer / songwriter Tom Waits.

It's not Uncle Joe who is adversely affected by this law. It's an out-of-state, multi-national company aligned with those ticket brokers who use every nefarious way to obtain their bounty before the general public even has a chance to purchase.

Artists, such as my client Tom Waits, search for any means possible to make sure that tickets get into the hands of fans first, rather than into the hands of scalpers. In 2008, when Mr. Waits decided to tour, we used a paperless system. We knew that scalpers would do everything they could to purchase all of the best seats (likely through the use of "bots") reselling them at a huge multiple in price. Through the use of a paperless system, we were able to offer and sell \$85 tickets to the public at face value. The few single tickets that got out of the system were grabbed by scalpers and offered for resale at up to \$1500.

Artists price their tickets for varying reasons, some to maximize profit, of course, but many times it is an ethical position in order not to gouge fans. The pro-scalping lobby would lead you to believe that if the artists (and / or promoters, venues, etc) priced tickets at what the market would bare, that the scalpers (or as they prefer to be called, "the secondary market"), would be out of business. The reason that it's never happened is that for the most part, artists don't believe that the wealthiest person should sit the closest, but the fan who cares the most about the artist should.

We have many simple solutions on ticket transferability, when a person can no longer attend an event, he or she should have the ability to transfer their tickets, but as our solutions insure that the ticket be transferred at face value, the opposition always rejects it, which goes to prove that it's not about the grandmother who wants to gift to her grandchildren, but about buying wholesale and selling retail. The concert business is not a wholesale operation, we sell retail products, a ticket to the end user, who is the fan.

The bottom line in all of this is really quite simple: there will be artists, who will not perform in Michigan if this bill is enacted as written. I represent one. We are not going to produce concerts where the main body of great seats is going to be taken from our core fans and resold to them at grossly inflated prices. It's just not fair. It's just not right and it certainly isn't what is in the best interest of the great fans of live entertainment in the state of Michigan.